

The New York Investigation

Co-conspirators orchestrated a scheme to defraud numerous banks out of millions of dollars through, among other means, the deposit of stolen, altered and counterfeit checks into various bank accounts they controlled. The investigation has resulted in the convictions, in this and related cases, of more than 20 individuals, including MONTGOMERY (with whom JONES-THOMPSON had a romantic relationship), RIDDICK (who was JONES-THOMPSON and MONTGOMERY's former coach), and CHARLES WELLS, the former sports agent for JONES-THOMPSON and MONTGOMERY.

As part of the fraud, in April 2005, NATHANIEL ALEXANDER, a friend and officemate of RIDDICK's, deposited a counterfeit check for \$850,000 into a business account he controlled. The co-conspirators then sought to distribute the proceeds of the \$850,000 counterfeit check, in part by issuing a check for \$25,000 from ALEXANDER to JONES-THOMPSON. JONES-THOMPSON then deposited the check into a bank account she maintained.

RIDDICK and ALEXANDER both were convicted on May 10, 2007, of bank fraud, bank fraud conspiracy, and money laundering conspiracy charges following a jury trial before Judge KARAS. They are to be sentenced later today by Judge KARAS.

Additionally, in May 2005 MONTGOMERY deposited a counterfeit check for \$200,000 into a business account he jointly controlled with JONES-THOMPSON. JONES-THOMPSON and MONTGOMERY (who resided together at various times between 2002 and the summer of 2005) executed documents to add JONES-THOMPSON as a signer on MONTGOMERY's business account several days before he deposited the check.

On April 9, 2007, MONTGOMERY pleaded guilty to conspiracy to commit bank fraud and two counts of bank fraud. His sentencing has not yet been scheduled.

An agent of the New York Office of the Department of Homeland Security's Immigration and Customs Enforcement ("ICE"), as well as other Government officials, interviewed JONES-THOMPSON on August 2, 2006, and September 5, 2006, at the United States Attorney's Office for the Southern District of New York. During the interviews, JONES-THOMPSON made the following false statements and concealed the following material facts:

(a) on August 2, 2006, JONES-THOMPSON falsely stated that she was unaware of a \$25,000 check ALEXANDER had made out to her, which she had endorsed;

(b) on August 2, 2006, and September 5, 2006, JONES-THOMPSON falsely stated that she was unaware MONTGOMERY had received any large checks in 2004 or 2005, including the \$200,000 counterfeit check; and

(c) on August 2, 2006, and September 5, 2006, JONES-THOMPSON falsely stated that she had no knowledge of MONTGOMERY's involvement in a counterfeit check fraud scheme.

In her October 2007 guilty plea, JONES-THOMPSON admitted to having made the false statements knowingly and willfully.

The California Investigation

In 2002, federal authorities in the Northern District of California began a criminal investigation into a scheme to distribute anabolic steroids and other illegal performance-enhancing drugs, and the related money laundering of the proceeds, by BALCO, a California corporation located in Burlingame, California, which performed blood-testing and other functions. While investigating BALCO, the investigation developed information regarding the drug distribution activities of individuals associated with Olympic track and field athletes, and eventually led to JONES-THOMPSON. The investigation subsequently expanded to include, among other things, whether various witnesses had made false statements during interviews with federal agents.

On September 3, 2003, a federal search warrant issued by a United States Magistrate Judge in the Northern District of California was executed at the BALCO premises in Burlingame, California. Among other things, investigators obtained evidence concerning JONES-THOMPSON and her relationship with BALCO, including evidence regarding her receipt and use of drugs they provided. The Internal Revenue Service-Criminal Investigation Division ("IRS-CID"), San Jose Office, was the lead investigative agency throughout the course of the California investigation. As part of that investigation, on November 4, 2003, a Special Agent of IRS-CID, along with another Government official, interviewed JONES-THOMPSON. Prior to the interview, JONES-THOMPSON and the United States Attorney's Office for the Northern District of California executed a letter-agreement which provided that any

statements JONES-THOMPSON made during the interview would not be used against her in connection with any prosecution, except under limited circumstances. The letter-agreement specifically stated that JONES-THOMPSON was not immunized from prosecution for making false statements during the interview.

During the interview on November 4, 2003, JONES-THOMPSON made false statements and concealed material facts by fraudulently stating that she had never seen or ingested a performance-enhancing drug known as "the clear," that she had never received the drug from her coach, and that she had never used any performance-enhancing drug. In her October 2007 plea, JONES-THOMPSON admitted that she had taken such drugs for approximately a year, beginning prior to the 2000 Olympic Games. She stated that, while she did not realize at the time what she was using, she realized by the end of 2003 that she had been given performance-enhancing drugs by a previous coach, and that she acted knowingly and willfully when she falsely denied, in 2003, having used such substances.

In addition to the prison term, Judge KARAS sentenced JONES-THOMPSON to two years of supervised release and ordered her to serve 400 hours of community service in each year. She was ordered to surrender on March 11, 2008.

Mr. GARCIA stated: "As this conviction and sentence demonstrate, lying to federal agents is a serious crime with serious consequences."

Mr. RUSSONIELLO stated: "In order for the criminal justice system to work, citizens who provide information to federal agents must tell the truth. Those who lie or obstruct the process will be prosecuted and should suffer serious consequences. The conviction and sentence in this case reinforces that guiding principle of our legal system."

Mr. GARCIA praised the work of ICE in the investigation of the New York case, and Mr. RUSSONIELLO praised the investigative efforts of the IRS-CID in the California case.

The New York investigation and prosecution is being handled by the Major Crimes Unit of United States Attorney's Office for the Southern District of New York. Assistant United States Attorneys E. DANYA PERRY and DANIEL W. LEVY are in charge

of the case.

Assistant United States Attorneys JEFFREY D. NEDROW, JEFFREY R. FINIGAN, and MATTHEW A. PARRELLA, Chief of the San Jose Division of the United States Attorney's Office for the Northern District of California, are in charge of the California investigation and prosecution.

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